REPORT

ON THE
CONVERSION CHARGES FOR BARS
AND
RODS AND FAIR RETENTION PRICE
OF
ELECTRIC FURNACE BILLETS PRODUCED
BY
THE REGISTERED RE-ROLLERS

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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION
(Tariffs)

New Delhi, the 22nd April, 1953.

No. 3-T(2)/51.- In their Resolution No. 3-T(2)/51, dated the 17th November, 1951, the Government of India in the Ministry of Commerce and Industry requested the Tariff Board to examine and recommend whether there should be any revision of the conversion rate payable to the various Registered Producers other than the Main Producers. Subsequently, the Tariff Commission was requested to examine the cost of production of electric furnace billets also and recommend a fair retention price for these billets. The Commission, having conducted an inquiry, has submitted its report. Its main recommendations are as follows:-

(1) The conversion charges payable to the Registered re-rollers concerned for untested bars and rods 5/8" and above should be Rs. 130/- per ton.

(2) The additional conversion charges to be allowed to inland units on account of place extras should be 8.85 per cent. of the place extras.

(3) The fair retention price of untested electric furnace billets produced by the Registered re-rollers should be Rs. 310/- per ton.

(4) So long as the present system of place extras on scrap continues, the price of electric furnace billets produced by the J.K. Iron and Steel Company, Kanpur, should be suitably adjusted on account of the place extras on scrap.

(5) The conversion charges for bars and rods and the fair retention price of electric furnace billets specified above should remain in force up to the 31st December, 1955.

(6) As the electric furnaces are very old and are being operated at present almost to full capacity, depreciation has been provided at the rate of 9.82 per cent. on the original block, as has been allowed in the case of the Tata Iron and Steel Company Ltd.

This depreciation has been provided for on the condition that an amount equal to this allowance will be set aside out of the gross profits made every year for the rehabilitation of the electric furnaces.

(7) The Registered re-rollers should take steps to institute a proper system of costing at their works as early as possible.

(8) Since the production of steel in India is increasing and plans are in hand for major expansions in the near future, the desirability of making larger supplies of billets available to the re-rolling industry should be kept steadily in view and the Main Producers should be asked to make due provision for the requirements of this industry in their expansion projects.

(9) Stricter control should be exercised over the exports of scrap with a view to ensuring that no melting scrap which can be used by the electric furnace industry is allowed to be exported.

(10) The present system of place extras on scrap deserves re-examination by Government.

(11) A Committee should be appointed to examine the position and prospects of the re-rolling industry and to suggest suitable measures for its re-organisation.

2. The Government of India have accepted all the recommendations of the Commission and have decided that the increased conversion charges for bars and rods and the fair retention price of electric furnace billets will take effect from the 1st January, 1953 and will remain in force up to the 31st December, 1955.

3. As regards recommendations (8) to (11) referred to in para. 1 above, the matter is receiving the attention of Government.

4. The Government of India hope that the Registered re-rollers will implement recommendations (6) and (7) referred to in para. 1 above.

Sd./- H.V.R. Iengar,
Secretary to the Government of India.

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REPORT ON THE CONVERSION CHARGES FOR BARS AND RODS
AND
THE FAIR RETENTION PRICE OF ELECTRIC FURNACE BILLETS PRODUCED BY THE REGISTERED RE-ROLLERS

Reference to the Commission.

1. The retention prices of bars and rods produced by different classes of controlled producers are fixed by the Government of India from time to time under the Iron and Steel (Control of Production and Distribution) Order, 1941. So far as the Main Producers are concerned, such prices have been fixed in consultation with the Tariff Board or the Tariff Commission since 1949. No such procedure was followed in the case of the registered re-rollers till 1951, when, following the reference to the Tariff Board of the claim made by the Main Producers to an increase in their retention prices, the Steel Re-rolling Mills Association of India represented to the Government of India that the conversion costs for bars and rods produced by the registered re-rollers had also increased and that an increase in the conversion rate allowed to them was necessary. After examining this representation, the Government of India considered that a detailed investigation into the conversion charges incurred by this class of producers was required and accordingly, by the Ministry of Commerce and Industry Resolution No.3-T(2)/51 dated the 17th November, 1951 (*Vide* Appendix I), referred the question to the Tariff Board for inquiry and report. This reference was pending with the Tariff Board when it was replaced by the Tariff Commission which took it over under section 26 of the Tariff Commission Act, 1951. Subsequently, by the Ministry of Commerce and Industry letter No. SC(A)-2(77)/51 dated 22nd September, 1952 (*Vide* Appendix II), the Government of India requested the Commission to examine the cost of production of electric furnace billets also and recommend a fair retention price for these billets.

Method of inquiry.

2. On 26th March, 1952, a special questionnaire was issued to the registered re-rollers, a list of which was obtained from the Iron and Steel Controller (*Vide* Appendix III). On the same day, the Steel Re-rolling Mills Association of India, Calcutta, was addressed for information on various points arising out of this inquiry. The Iron and Steel Controller was also requested to furnish the Commission with a detailed account of the existing price arrangements with the registered re-rollers. The Commission issued a press *communiqué* on 30th May, 1952, inviting all firms and persons interested in matters referred to the Commission to send their representations. A press *communiqué* was also issued on 26th September, 1952, announcing that the question of revision of the fair retention price of electric furnace billets had been included in the scope of the inquiry. Shri N. Krishnan, Cost Accounts Officer, visited the following factories on the dates shown against each and collected the necessary cost data:

(1) The Mukund Iron and Steel Works, Bombay:-
April, 1952, 25th-30th June, 1952 and 1st and 2nd July, 1952.

(2) Bhartia Electric Steel Co. Ltd., Calcutta:-
18th May-13th June, 1952.

(3) The Prakash Engineering Company and Rolling Mills, Agra:-
16th and 17th June, 1952.

The Chairman and Members of the Commission and the Secretary to the Commission visited the Mukund Iron and Steel Works on 27th September, 1952. Shri B.N. Das Gupta, Member, visited the J.K. Iron and Steel Co. Ltd., Kanpur, on 30th October, 1952. On 29th and 30th September, 1952, the representatives of the Steel Re-rolling Mills Association met the Commission's Cost Accounts Officer and the Iron and Steel Controller for a detailed discussion of the cost data. An inquiry was held at the Commission's office in Bombay on 1st October, 1952. A list of persons who attended the inquiry and gave evidence is given in Appendix IV.

Scope of the inquiry.

3. The representatives of the Steel Re-rolling Mills Association stated at the inquiry that the revised conversion rate for bars and rods to be recommended by the Commission should be made applicable from 1st May, 1949 since the rate of Rs. 98 per ton allowed from that date was unremunerative to the producers and the Association has already made several representations about it to Government. The Association also asked for the fair retention price for electric furnace billets to be revised with retrospective effect from 1st May, 1951, since the existing price which had been fixed by agreement with the producers was to remain in force up to 30th April, 1951 only. We have considered this request, but are unable to extend the scope of this investigation. In their letter No. 3-T(4)/51 dated 28th April, 1952, the Government of India in the Ministry of Commerce and Industry have informed the Commission that the question of revision of conversion rate for bars and rods is to be examined for the future only and that the date from which the revised rate will be given effect to will be decided by Government after considering the Report of the Commission. Since the question of the fair retention price of electric furnace billets is closely linked with that of the conversion rate, the Association may address its representations in regard to retrospective effect in both the cases directly to Government.

History of the price arrangements.

4. (a) The question of fixing conversion rates for different classes of re-rollers was first discussed at a meeting held on 24th April, 1942 between the representatives of the re-rollers and those of Government. At this meeting, it was decided to classify the re-rollers into three categories according to efficiency and their conversion rates from billets to bars (including wastage) were fixed as follows: (i) category 'A' Rs. 55/- per ton, (ii) category 'B' Rs. 75/- per ton and (iii) category 'C' Rs. 85/- per ton. These arrangements did not cover the products of the Eagle Rolling Mills, Kumardhubi, the Indian Steel Rolling Mills, Negapatam and

Messrs. Guest Keen Williams Ltd., who were classified as A-1 re-rollers and for whom a conversion rate of Rs. 45/- per ton was fixed. Extra conversion costs were also fixed for rolling from raw materials other than billets, and extras for certain sections of rounds and squares were laid down. These extras were the then existing commercial extras charged by the Main Producers. The conversion rates mentioned above were allowed only for orders booked up to 31st October, 1942, and were modified in respect of orders booked from 1st November, 1942 onwards, as follows:-

	Bars and rods	*Structurals*
'A'-1 re-rollers	Rs. 45/-	Rs. 35/-
'A' "	Rs. 70/-	Rs. 60/-
'B' "	Rs. 90/-	Rs. 80/-
'C' "	Rs. 100/-	Rs. 90/-

It may be noted that for structurals a conversion rate of Rs. 10/- below that for bars and rods was fixed.

(b) Up to 1st February, 1943, the re-rollers' sale price was equal to their retention price calculated on the basis of the conversion rates indicated above and no adjustment was made with them. From that date, however, they had to sell their products at controlled rates and the difference between their retention prices and the controlled rates was adjusted with the Equalisation Fund. Further modifications in the conversion rates were made as follows:-

	Bars and rods	*Structurals*
From 1-5-43:		
'A'-1 re-rollers	Rs. 57/8-	Rs. 47/8-
From 1-11-43:		
'A'-1 re-rollers	Rs. 65/-	Rs. 55/-
'A' "	Rs. 85/-	Rs. 75/-
'B' "	Rs. 110/-	Rs. 100/-
'C' "	Rs. 120/-	Rs. 110/-

The base retention prices of re-rollers were calculated after taking into account (a) the cost of raw materials, including place extras, and (b) conversion rates, including, if applicable, any charge for double conversion or extra conversion for raw materials other than billets and also extra wastage at 10 per cent. on raw materials costing more than Rs. 150/- per ton.

(c) The above arrangement continued in force till the end of March, 1946 when it was decided to discontinue the system of classifying the re-rollers as 'A'-1, 'A', 'B' and 'C' with different conversion rates for each class. They were then divided into two groups - (a) registered producers and (b) unregistered producers. The registered producers whose products were confined to bars and rods were to receive billets at Rs. 156/- per ton *plus* place extras and were to sell their products ex-works at the statutory rates, *i.e.,* Rs. 225/- *plus* the place extra for their station. In special cases, such as supplies to controlled stockholders, sales f.o.r. destination were permitted and in these cases freight adjustment was allowed on the difference between (a) the place extra paid on the billets *plus* freight on the rolled steel, and (b) the place extra for the destination station realised from the consignee. In the case of sales ex-works, as no freight adjustment was made, the re-rollers were losing 10 per cent. wastage on the place extra paid by them on the billets as they realised only the place extra on the finished steel. As these re-rollers received billets at Rs. 156/- per ton and had to sell their bars at the base price of Rs. 225/- per ton and structurals at Rs. 215/- per ton, their conversion rates, including wastage, amounted to Rs. 69/- per ton for bars and Rs. 59/- per ton for structurals. As regards the registered producers whose products were not confined to bars and rods (*i.e.* Messrs. J.K. Iron and Steel Co., Messrs. Guest Keen Williams and Messrs. Indian Steel and Wire Products Ltd.), they were to receive billets at Rs. 181/- per ton and were given the conversion rates mentioned above. Adjustments with these registered producers, therefore, continued to be made both for ex-works as well as f.o.r. destination sales up to 26th January, 1948.

(d) From 27th January, 1948, the distinction between the registered producers whose products were confined to bars and rods, and others was abolished, and all re-rollers received billets at Rs. 212/- per ton and sold their products at the statutory base price of Rs. 300/- for bars and Rs. 290/- for structurals so that their conversion rates including wastage amounted to Rs. 88/- per ton for bars and Rs. 78/- per ton for structurals. Freight adjustments continued to be made on f.o.r. destination sales. This system continues to this date, but the statutory sale price for bars and structurals as well as the price of billets and the costs of conversion were changed as follows:-

	Bars	*Structurals*
(a) *From 1-6-1949*		
Statutory sale price	Rs. 333/-	Rs. 325/-
Price of billets	" 235/-	" 235/-
Conversion rate (including wastage)	" 98/-	" 90/-
(b) *From 12-12-1949*		
Statutory sale price	" 303/-	" 295/-
Price of billets	" 205/-	" 205/-
Conversion rate (including wastage)	" 98/-	" 90/-
(c) *From 1-7-1952*		
Statutory sale price	" 353/-	" 345/-
Price of billets	" 250/-	" 250/-
Conversion rate (including wastage)	" 103/-	" 95/-
(d) *From 22-9-1952*		
Statutory sale price	" 393/-	" 385/-
Price of billets	" 286/-	" 286/-
Conversion rate (including wastage)	" 107/-	" 99/-

(e) As regards the section extras, the extras for different sections were based on those laid down for the Main Producers. Before 1st July, 1945, these extras were higher and there

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was no adjustment on this account with the re-rollers who were allowed to retain these extras.

(f) The statutory extra of Rs. 10/- which was in force up to the end of May, 1949 for tested bars and structurals was also retained by the re-rollers without any adjustment. Since 1st June, 1949, the extra on tested rods and structurals has been Rs. 30/- per ton, while an extra of Rs. 10/- per ton has been laid down for tested billets. The re-rollers are, therefore, allowed, in addition to Rs. 10/- for tested bars or structurals which they were formerly allowed, Rs. 11/- on account of the higher cost of tested billets and 10 per cent. wastage, *i.e.,* a total of Rs. 21/- per ton and they pay to the Equalisation Fund Rs. 9/- per ton.

(g) The registered re-rollers who roll steel from electric furnace billets are allowed an extra calculated on the difference between the price of electric furnace billets and M.S. billets (on which the conversion costs are based) *plus* the wastage on this difference. Where the billets supplied are not suitable for the sections to be rolled, the re-rollers are allowed an extra conversion cost amounting to 80 per cent. of the full conversion cost. Each claim for extra conversion cost is, however, examined by the Steel Prices Negotiations Committee.

The rated capacity and actual production.

5. (a) The number of registered re-rollers was 14 in 1949, 16 in 1950 and 17 in 1951 and at the time of this inquiry. The total annual capacity of the registered re-rollers, excluding the J.K. Iron and Steel Co., on a single-shift basis, was 79,584 tons in 1949, 90,144 tons in 1950 and 91,464 tons in 1951. The present capacity is estimated at 95,724 tons. The total production of bars and rods by the registered re-rollers was 55,291 tons in 1949, 60,069 tons in 1950, 73,215 tons in 1951 and 50,176 tons in the first nine months of 1952. These figures do not include the production of jute baling hoops by the J.K. Iron and Steel Co., which amounted to 9,431 tons in 1949, 7,912 tons in 1950, 3,881

tons from 1st January to 19th March, 1951, the factory being closed on the latter date for shifting a section to Rishra (Calcutta) and 3,096 tons in the first nine months of 1952 at Kanpur and Rishra taken together. The figures for individual units are given in a Statement in Appendix V. It will be observed that the registered re-rollers have not been able to utilise their capacity for production of bars and rods even for one shift. This is mainly due to inadequate supply of billets, a subject which is discussed in paragraph 9 below.

(b) Electric furnace billets are produced by five registered re-rollers, namely, the National Iron and Steel Co. Ltd., Calcutta, the Bhartia Electric Steel Co. Ltd., Calcutta, the J.K. Iron and Steel Co. Ltd., Kanpur, the Krishna Steel Industries, Ltd., Bombay and the Mukund Iron and Steel Works Ltd., Bombay. The total annual capacity of these units on three shift basis is 42,000 tons. The following table shows the production of steel by these units since 1949:-

	(In tons)		
	Ingots	*Castings*	*Total*
1949	29,186	8,730	37,916
1950	31,344	9,730	41,074
1951	27,342	9,816	37,158
1952 ... ... (Jan.- Sept.)	20,727	7,401	28,128

Figures for individual units are given in a Statement in Appendix VI.

Conversion costs for bars and rods.

6. (a) We have examined the data collected by the Cost Accounts Officer regarding the costs incurred by three representative units, namely, the Mukund Iron and Steel Works, Bombay, the Bhartia Electric Steel Co., Calcutta, and the Prakash Engineering Co. and Rolling Mills, Agra, for conversion of mild steel billets into sections (5/8" and above). These units were

selected in consultation with the Iron and Steel Controller as representative of the industry as a whole. The first two units are situated at the ports and have an annual capacity of 15,600 tons and 6,300 tons respectively. The third is an inland unit with an annual capacity of 1,920 tons only and is considered to be representative of the smaller units situated upcountry. All the three units desired that the details of their costs of production should be kept confidential and we have accordingly given such details in a separate confidential enclosure to this Report. The main conclusions emerging from our cost investigation are, however, given below. The figures adopted by us were discussed at the inquiry held on 1st October, 1952 and were agreed to by the costed units as well as by the representatives of the Steel Re-rolling Mills Association.

(b) Our estimates of conversion charges for the future are based on an examination of the cost data for the year ended 31st March, 1951 in the case of Mukund Iron and Steel Works Ltd., the calendar year 1951 in the case of Bhartia Electric Steel Co. Ltd., and the period from 9th September, 1950 to 29th August, 1951 in the case of Prakash Engineering Co. and Rolling Mills. These were the latest periods for which complete accounts were available. In none of the three units are accounts maintained in a manner which would permit accurate determination of costs. We understand that this is generally the case with many other units in this industry. We, therefore, recommend that the registered re-rollers should take steps to institute a proper system of costing at their works as early as possible. There are important variations among the three costed units as regards equipment and processes of production. While Mukund and Bhartia roll bars and rods from electric furnace steel produced by themselves as well as from purchased billets, Prakash have no electric furnace of their own and make their bars and rods exclusively from purchased billets. While Mukund and Bhartia have continuous reheating furnaces, the reheating furnace used by Prakash is of the in-and-out type. As a result of this as well as of the difficulties experienced by the firm in using selected B grade coal which is the only grade at present available to registered re-rollers, the fuel cost and heat loss are relatively higher in the case of this firm. Further, Mukund were hitherto rolling a small proportion of their bars and rods directly from electric furnace ingots, but in future, they propose to convert all ingots first into billets before rolling them into sections. This change of practice has become necessary because, according to the Company, the customers now insist on supply of finished steel on foot-weight basis and are also not prepared to take odd lengths. In order to reduce wastage, therefore, the Company has to maintain greater control over the dimensions of the sections and finds it easier to do so when ingots are first converted into billets. Bhartia, on the other hand, roll their electric furnace ingots directly into sections. They have so far not encountered the difficulties experienced by Mukund since the ingots produced by Bhartia are of a smaller size. This point has been discussed further in paragraph 7(b) below.

(c) The conversion charges determined by us relate to untested sections 5/8" and above. Under the Iron and Steel Controller's "Extras List", tested sections and sections below 5/8" are entitled to extras. Hence, in order to determine the conversion charges for untested sections 5/8" and above, we have deducted the 'extras' earned by the costed units from their total conversion costs. The conversion charges for tested sections and for sections below 5/8", therefore, are to be determined by adding the appropriate extras as given in the Iron and Steel Controller's list.

(d) In determining the conversion charges for the future, we have taken due account of the likely variations in different elements of cost on the basis of the latest available data. The cost of billets has been taken at the revised rate of Rs. 286 per ton [See paragraph 4(d)]. The cost of labour has been worked out by allowing for normal increments and the contributions to be made by employers to the Employees' Provident Fund and the State Insurance Corporation. Since the re-rollers have no system of production bonus or incentive bonus the expenditure on account of which has been allowed as part of works costs in the case of the Main Producers, the annual bonuses paid by the re-rollers have been admitted as part of their cost of production. In the case of the Main Producers, the prices of defectives and cuttings have been fixed at Rs. 10 per ton less than those for good material. We are advised by the Iron and Steel Controller that if the same system were extended to the registered re-rollers, it would result in a heavy drain on the Equalisation Fund. We have, therefore, determined the conversion charges for good material only, by deducting the Companies' actual realisations from sales of defectives and cuttings from their total rolling cost.

(e) In order to achieve comparability with the other two units, the figures relating to Prakash have been adjusted for two factors. In the first place, no account has been taken of the 'place extras' paid by Prakash on billets purchased by them and those received by them on defectives and cuttings, since adjustments for place extras have been provided for separately [See sub-paragraph (h) below]. Secondly, the partners of the firm who manage the factory do not draw any salaries and a suitable addition has been made to the conversion cost on account of the services rendered by these persons. We have made a provision of Rs. 6 per ton on this account in working out the conversion cost for Prakash.

(f) As regards overheads, in view of the fact that some of the smaller mills have to pay comparatively heavy interest charges on their short term loans, we have allowed interest on working capital at 4½ per cent. per annum on 6 months' cost of production. Depreciation has been allowed at Income Tax rates and return at 8 per cent. on the gross block employed in the production of bars and rods from mild steel billets. The gross block is estimated at Rs. 19.29 lakhs for Mukand, Rs. 8.29 lakhs for Bhartia and Rs. 1.14 lakhs for Prakash. Further, having regard to the fact that some of the other units are not as favourably situated in regard to the supply of billets in relation to their rolling capacity as the costed units are, and in order to meet small unforeseen variations in the conversion cost, we have made a provision of Rs. 5 per ton for contingencies.

(g) The following table shows the conversion charges determined by us for the three costed units, together with the averages of the three sets of figures:-

(Rs. per ton)

	Mukand	*Bhartia*	*Prakash*	*Average*
Gross value of metal loss	29.04	29.92	31.77	30.25
Less credit for recovery	8.72	8.69	7.06	8.16
Net value of metal loss ...	20.32	21.23	24.71	22.09
Above metal cost	71.75	74.66	86.66	77.69
Conversion cost	92.07	95.89	111.37	99.78
Depreciation	9.92	8.64	3.31	7.29
Interest on working capital	8.54	8.62	8.94	8.70
Return on block	11.15	10.36	2.98	8.16
Despatch and delivery* ...	3.50	-	-	1.17
Fair conversion cost ...	125.18	123.51	126.60	125.10
Add margin for contingencies				5.00
Total				130.10
				Say Rs. 130 per ton

*In the case of the other two units, the corresponding expenses are included in "conversion costs".

On the basis of the above, we recommend that the conversion charges payable to the registered re-rollers for untested bars and rods 5/8" and above should be Rs. 130 per ton.

(h) *Place extras:* To determine the conversion charges for inland units, the following factors have to be taken into consideration, namely, (i) place extras paid by such units on billets purchased by them and the proportion of place extras which they are unable to recover from the sale of finished sections owing to the metal loss incurred in the process of production, and (ii) place extras received by such units on defectives, cuttings and scrap. The "metal loss" consists partly of heat loss and partly of wastage in the form of defectives, cuttings and scrap. The average estimated metal loss for the three costed units comes to 9.54 per cent. *i.e.,* for every 1.1054 ton of billets rolled, one ton of finished sections is obtained. Hence, the loss on account of place extras on billets is obtained by multiplying the place extras per ton by 0.1054. The average recovery of defectives, cuttings and scrap by the three units works out to 4.87 per cent. of the total quantity of billets rolled: 2 per cent. in the form of defectives and cuttings and 2.87 per cent. in the form of scrap. The representatives of the Association, however, stated at the inquiry that the quantity of scrap obtained by the upcountry mills was too small to enable them to recover place extras on it. The Iron and Steel Controller confirmed this statement and pointed out that it was difficult to realise place extras on scrap offered in small quantities, except where there was a continuous market for either export or domestic consumption. We have, therefore, assumed that place extras are normally realisable on defectives and cuttings only, *i.e.,* on 2 per cent. of the quantity of billets rolled. In other words, out of 0.1054 ton of metal lost for every ton of finished sections produced, place extra is realisable on .0221 ton only. Hence, the net increase in conversion charges to be allowed to inland units on account of place extras, with a small addition for interest on working capital, is 8.35 per cent. of the place extras.

Fair retention price of electric furnace billets.

7.(a) We have examined the cost of production of electric furnace billets at two factories, namely the Mukand Iron and Steel Works and the Bhartia Electric Steel Co. The periods selected for cost investigation in both cases were the same as those for the conversion charges for bars and rods. Mukund have an electric furnace of 5 ton capacity per heat at Sewri, the annual rated capacity of which is estimated at 6,000 tons of hot metal. The Company has recently added a two-ton furnace, with an annual capacity of about 3,700 tons, at Kurla. The production of hot metal at the latter furnace has not been taken into account, as the cost data collected by us related to the Sewri factory only. The hot metal from the electric furnace is used for the manufacture of mild steel, tool steel, spring steel, alloy steel and steel castings. Hot metal is first converted into ingots and, as stated earlier, the Company proposes in future to convert all electric furnace ingots into billets before rolling them into finished steel. In the case of this Company, we have adopted the following method for determining the cost of production of electric furnace billets. In order to determine the cost of hot metal, the total charges for the heats made for various types of steel and the operating expenses relating to the electric furnace, have been allocated to the different types on the basis of technical estimates and furnace hours respectively. Suitable adjustments have been made for certain items of expenses which do not vary with furnace hours. The total expenses allocated to mild steel ingots, divided by the total quantity of mild steel ingots produced, give the cost of electric furnace ingots. The total expenses of the rolling section have been distributed to mild steel sections and other products on the basis of the operating hours of the mills.

(b) Bhartia have 3 electric furnaces, of which one is of 5 ton capacity and two are of 2 ton capacity. The annual rated capacity of all the furnaces comes to about 12,000 tons. Like Mukand, Bhartia also use the electric furnace hot metal for the manufacture of mild steel, steel castings and other types of steel. There are three features of this unit which have necessitated certain adjustments in its recorded cost data in order to arrive at a fair estimate of its cost of production of electric furnace billets. Firstly, it was observed that in 1951, the production per furnace hour was lower in the case of mild steel heats than in the case of spring steel heats or casting heats and consequently, the cost of mild steel worked out higher than that of other types of steel. This is due to two factors: (a) as the factory was not originally planned for mild steel production, it has only a limited space for spreading ingot moulds and (b) the factory is not equipped with a sufficient number of cranes to meet the requirements of the three furnaces. The combined result of these two factors has been to detain the mild steel hot metal in the furnace somewhat longer than the hot metal required for other types of steel. We think that the extra cost resulting from any one furnace being not operated to full capacity should be borne by all the categories of steel produced, and in estimating the future cost, therefore, we have taken the combined expenses of all the three furnaces and distributed them among the various categories of steel on the basis of the normal time taken for the production of each category. We have, however, provided for the installation of 3 additional cranes in calculating the depreciation and return on block for the future. Secondly, as the factory does not have sufficient floor space for spreading the moulds, it converts a portion of the hot metal produced from casting heats into mild steel ingots. We think that the higher cost of hot metal from casting heats should not be borne by mild steel alone and have accordingly distributed it over all the categories of steel produced. Thirdly, unlike Mukand, Bhartia roll their electric furnace ingots directly into sections and hence their cost of conversion of ingots into billets had to be estimated. The conversion cost consists of two elements (a) 'above metal cost' and (b) 'the net metal loss'. Since the above metal cost is related to the rolling hours, we have assumed that the difference between the above metal cost of sections rolled directly from ingots and that of sections rolled from billets represents the above metal cost of rolling ingots into billets. The net metal loss has been estimated by us at 7 per cent., the heat loss being estimated at 4 per cent. and scrap at 3 per cent.

(c) The principal raw material required for the manufacture of electric furnace billets is scrap, the controlled price of which is Rs. 60 per ton from 1st July, 1951. In the case of both the units, it was observed that the difference between the cost of hot metal for tested and untested steel was small, the difference being mainly due to the extra time for which the hot metal is allowed to remain in the furnace before tapping in the case of the tested quality. We have, therefore, taken the overall cost of ingots as representing the cost of untested ingots. In the case of Bhartia, where the cost of rolling electric furnace ingots and purchased billets into sections had to be examined in order to estimate the cost of rolling electric furnace ingots into billets (See the preceding sub-paragraph), it was noticed that the cost of rolling tested sections, whether from ingots or purchased billets, was lower than that for rolling untested sections. Since this is not in accord with the usual experience, we have taken the weighted average cost of rolling tested and untested sections, after deducting the extras earned on tested sections. With regard to labour charges and other elements of works cost, these have been computed in the case of both the units on the same general principles as have been followed in the case of conversion charges for bars and rods. Interest on working capital has been provided at 4½ per cent. per annum on 4 months' cost of production and return at 8 per cent. on the block employed for the production of electric furnace billets. In estimating the block for purposes of depreciation and return to be allowed to Bhartia, a provision of Rupees one lakh has been made for the installation of 3 additional cranes. The electric furnace block of Bhartia comes to Rs. 15 lakhs and that of Mukand to Rs. 6.5 lakhs; the portion of the block pertaining to mild steel production comes to Rs. 2.85 lakhs and Rs. 3.77 lakhs respectively. Since these electric furnaces are very old and are being operated at present almost to full capacity, it is considered reasonable to provide for depreciation up to the ingot stage at the same rate, namely, 9.62 per cent. on the original block, as has been allowed in the case of the Tata Iron and Steel Company. On this basis, depreciation per ton of ingots works out to Rs. 10.36 for Mukand and Rs. 11.84 for Bhartia. Allowing for the metal loss in each case, depreciation per ton of billets comes to Rs. 11.58 in the case of Mukand and Rs. 12.73 in the case of Bhartia. This depreciation allowance has been provided for on the condition, which has been accepted by the two Companies and by the Steel Re-rolling Mills Association, that an amount equal to the allowance will be set aside out of the gross profits earned every year for rehabilitation of the electric furnaces. To this, depreciation on the block utilised for rolling ingots into billets, estimated at Rs. 2.50 lakhs for Mukand and Rs. 2.63 lakhs for Bhartia, has to be added. In the case of the rolling sections, it is considered sufficient to provide for depreciation at the Income Tax rates. This works out to Rs. 4.57 per ton of billets in the case of Mukand and Rs. 1.60 in the case of Bhartia. Hence, the total depreciation per ton of billets allowed to Mukand is Rs. 16.15 and that allowed to Bhartia is Rs. 14.33. We have made a provision of Rs. 3 per ton of electric furnace billets for contingencies.

(d) The cost of production of electric furnace billets as determined by us for Mukand and Bhartia, together with the average of the total costs of the two units, is set out in the following table:-

	Mukand			Bhartia		
	Qty. per ton of production.	Rate per ton.	Cost per ton of billet.	Qty. per ton of production.	Rate per ton.	Cost per ton of billet.
1. *Material:*						
E.F. Ingots	1.1173	229.99	256.97	1.0753	219.53	236.06
Less Credit for scrap.	0.0726	60.00	4.36	0.0323	60.00	1.94
Net material cost			252.61			234.12
2. Above metal cost			45.24			16.28
3. Total works cost			297.85			250.40
4. Depreciation			16.15			14.33
5. Interest on working capital.			4.47			3.76
6. Return on block			14.34			12.32
7. Total cost of production.			332.81			280.81

Average per ton Rs. 306.81
Say Rs. 307

Add margin for contingencies Rs. 3
Total per ton. Rs. 310

On the above basis, we recommend that the fair retention price of untested electric furnace billets produced by registered re-rollers should be Rs. 310 per ton.

(e) The J.K. Iron and Steel Company, Kanpur, is the only inland unit producing electric furnace billets. This unit has to pay a place extra on scrap at Rs. 52-4-0 per ton, and has requested that the retention prices for billets produced by it should include a suitable allowance for the place extra. Kanpur offered a convenient location for this Company because before the war, scrap was not under control and was available at a lower price at inland centres than at the ports. Under the present system, however, no place extras are payable on scrap delivered at the ports and consequently, the cost of production of electric furnace billets is lower at the ports than at the inland centres. In paragraph 10(c) below, we have recommended a re-examination of the system of place extras on scrap. If, after such re-examination, the system is so revised that this Company does not have to pay place extras on its scrap, the question of granting it a special price will not arise. If, on the other hand, it is decided that the balance of advantage lies in maintaining the system of place extras on scrap in its present form, the Company will have to be granted a special price, which will mean placing a small extra burden on the Equalisation Fund, the extra burden being measured by the place extras on the amount of scrap wasted in the process of production. So long as the system continues, however, we consider that the price of electric furnace billets produced by the J.K. Iron and Steel Company should include a suitable allowance for the place extras on scrap, and we accordingly recommend a price of Rs. 369 per ton of electric furnace billets produced by this Company, made up of Rs. 310 basic price plus Rs. 59 place extra on scrap (including wastage) for Kanpur at Rs. 52-4-0 per ton.

Period of price fixation.

8. We recommend that the conversion charges for bars and rods and the fair retention price of electric furnace billets recommended by us should remain in force up to 31st December, 1955.

Supply of billets.

9. We understand that owing to the shortage of billets, the registered re-rollers have been asked to limit their production to one shift, except when their stocks of billets exceed their requirements for 3 months. At the inquiry, the registered re-rollers represented that the inadequate supply of billets was the principal reason for their relatively high cost of production and urged that they should be supplied with billets for atleast two shifts. It will be seen from the figures of rated capacity and production given in paragraph 5 above that the industry is not able at present to utilise its capacity even for one shift and this is mainly due to the fact that adequate

supply of billets is not available to the industry. Some of the registered re-rollers stated at the inquiry that they had accepted the existing price arrangement in the hope that they would be supplied with billets for at least two shifts, whereas the actual allocations to them were not sifficient even for one shift. We have discussed the question with the Iron and Steel Controller who has informed us that it is not possible to supply the registered re-rollers with billets for more than one shift. The position as stated by the Iron and Steel Controller is that the quantity of billets allotted to the registered re-rollers from the production of the Main Producers is the maximum available at present and that no imports are possible because of the high prices of foreign billets. Considering, however, that the production of steel in India is increasing and that plans are in hand for major expansions in the near future, we recommend that the desirability of making larger supplies of billets available to the re-rolling industry should be kept steadily in view and that the Main Producers should be asked to make due provision for the requirements of this industry in their expansion projects.

Prices and supply of scrap.

10. (a) The controlled price of scrap was increased from Rs. 40 to Rs. 60 per ton with effect from 1st July, 1951. The re-rolling industry has protested against this increase on the ground that it was not warranted by the supply position of scrap in the country. It has been argued that as a result of the increase in the price of scrap, the cost of production of electric furnace steel has increased in relation to open hearth steel and that if this additional disadvantage persists even after the present control over the prices and distribution of steel is terminated, the electric furnace owners would have increased difficulties in finding a market for their steel at competitive prices. In their memorandum to the Commission, the Bhartia Electric Steel Company has further pointed out that if the object of increasing the price of scrap is to make larger supplies of scrap available

to the consumers in the South, particularly to the Mysore Iron and Steel Works, the object is not likely to be achieved since supplies of scrap are mostly located in Northern India and it would be uneconomical for the consumers in the South to transport scrap from the North. The question was discussed at considerable length at the inquiry. Prior to the recent increase, the price of scrap had remained at Rs. 40 per ton for several years during which there was a substantial rise in the general price level in the country and the prices of scrap from uncontrolled sources, particularly the export prices, had also increased. Moreover, the railways, which are the principal source of supply for the re-rolling industry, have given their full co-operation in meeting the requirements of this industry throughout the period for which control has been in force. In these circumstances, we do not think that the increase in price to Rs. 60 per ton can be regarded as unreasonable. It was also admitted at the inquiry that the registered re-rollers were not able to obtain a larger proportion of their requirements from controlled sources than before and that, to this extent, they had been relieved of the necessity of resorting to uncontrolled sources. Since, despite price control, scrap from uncontrolled sources is available only at much higher prices, the relief obtained by the industry through larger supplies from controlled sources more than compensates it for the increase in the controlled price. As regards the contention that the increase in the controlled price of scrap will adversely affect the competitive position of the electric furnace owners in relation to the Main Producers in the event of control being terminated, we think that the difficulties of the electric furnace industry are far too fundamental to be solved by an immediate reduction in the controlled price of scrap. We are, therefore, unable to support the demand for a reduction in the controlled price of scrap.

(b) The Steel Re-rolling Mills Association has also drawn attention to the recent increase in the exports of scrap as a result of which there has been a marked deterioration in the supplies available to the industry from uncontrolled sources, both quantitatively and qualitatively. The Association has stated that the exporting firms are reported to be paying as high a rate as Rs. 125 per ton. In this connection, the Association has suggested that instead of encouraging the export of scrap, Government should assist the industry to put up more scrap-consuming units and thus ensure greater utilisation of scrap in the country. That there has recently been a sharp increase in the exports of scrap is indicated by the following figures supplied by the Iron and Steel Controller.

Exports of scrap from India (in tons)

1948-49		74
1949-50		242
1950-51		2,072
1951-52		46,055
1952-53		
April	11,615	
May	7,666	
June	22,602	
July	36,500	
August	30,380	
Total, April-August		108,763

The Iron and Steel Controller has explained that the increase is partly due to larger exports of skull scrap which cannot be used by the re-rolling industry. Under the existing arrangements, the control over the types of scrap allowed to be exported is exercised in collaboration with the representatives of the industry, but it is understood that these arrangements are not working satisfactorily. A suggestion was made at the inquiry that exports of scrap from uncontrolled sources should be linked with sales to electric furnace owners in a certain ratio in such a way that an exporter applying for an export permit will be required to furnish evidence of his having sold the quantity indicated by the ratio to a domestic electric furnace owner. The suggestion was discussed with the representatives of the Association who regarded it as worthy of consideration. If the proposal involves termination of the present practice of allowing exports of non-usable scrap only, the industry will benefit by it if ample supplies of melting scrap are available. If, on the other hand, only non-usable scrap is to be licensed for export, the proposed arrangement may result in holding up exports without any benefit to the industry. We, therefore, think that the practical implications of this proposal need further examination. We recommend, however, that in any case stricter control should be exercised over the exports of scrap with a view to ensuring that no melting scrap which can be used by the electric furnace industry is allowed to be exported. As regards the suggestion regarding the expansion of the electric furnace industry, we think that the subject is suitable for examination by the Committee recommended in paragraph 11 below.

(c) The controlled prices of scrap include place extras at places other than the ports. A re-rolling firm, therefore, obtaining its requirements of scrap from an inland centre, has to pay a place extra, which is based on the freight from the port to the inland centre, plus the freight from that centre to the place where the purchasing firm is located. The Steel Re-rolling Mills Association has stated that the Khargpur Railway Workshop recovers on its sales of scrap to Calcutta re-rollers both the place extra for Khargpur and the actual freight from Khargpur to Calcutta. We consider that the whole system of place extras on scrap deserves re-examination by Government.

Appointment of a Committee on the Re-rolling Industry.

11. The re-rolling industry occupies an important place in the economy of the country. The industry, however, is not yet properly organised. Many of the units are small and poorly

equipped and some of them suffer from faulty location. The resulting high cost of production may prove a serious handicap to the industry when normal conditions return. From a long-term point of view, the electric furnace industry may have to rationalise its pattern of production in order to strengthen its competitive position. The desirability of the industry specialising in certain categories of steel, *e.g.*, special steels, the demand for which is likely to increase in future and in respect of which the competitive position of the industry may be less vulnerable, needs to be considered. We, therefore, recommend that Government may appoint a Committee to examine the position and prospects of this industry and to suggest suitable measures for reorganisation.

12. Our conclusions and recommendations may be summarised as under:-

Summary of conclusions and recommendations.

(1) The registered re-rollers should take steps to institute a proper system of costing at their works as early as possible. [Paragraph 6(b)]

(2) The conversion charges payable to the registered re-rollers for untested bars and rods 5/8" and above should be Rs. 130 per ton. [Paragraph 6(g)]

(3) The additional conversion charges to be allowed to inland units on account of place extras should be 8.35 per cent. of the place extras. [Paragraph 6(h)]

(4) As the electric furnaces are very old and are being operated at present almost to full capacity, it is considered reasonable to provide for depreciation up to the ingot stage at the same rate, namely, 9.82 per cent. on the original block, as has been allowed in the case of the Tata Iron and Steel Company. This depreciation has been provided for on the condition that an amount equal to this allowance will be set aside out of the gross profits made every year for the rehabilitation of the electric furnaces. [Paragraph 7(c)]

(5) The fair retention PRICE OF UNTESTED electric furnace billets produced by the registered re-rollers is Rs. 310/- per ton. [Paragraph 7(d)]

(6) So long as the present system of place extras on scrap continues, the price of electric furnace billets produced by the J.K. Iron and Steel Company, Kanpur, should include a suitable allowance for the place extras on scrap and accordingly a price of Rs. 369/- per ton of electric furnace billets produced by this Company is recommended. [Paragraph 7(e)]

(7) The conversion charges for bars and rods and the fair retention price of electric furnace billets recommended above should remain in force up to 31st December, 1955. [Paragraph 8]

(8) Since the production of steel in India is increasing and plans are in hand for major expansions in the near future, the desirability of making larger supplies of billets available to the re-rolling industry should be kept steadily in view and the Main Producers should be asked to make due provision for the requirements of this industry in their expansion projects. [Paragraph 9]

(9) Stricter control should be exercised over the exports of scrap with a view to ensuring that no melting scrap which can be used by the electric furnace industry is allowed to be exported. [Paragraph 10(b)]

(10) The present system of place extras on scrap deserves re-examination. [Paragraph 10(c)]

(11) A Committee should be appointed to examine the position and prospects of the re-rolling industry and to suggest suitable measures for its re-organisation. [Paragraph 11].

Acknowledgements.

13. We wish to express our thanks to the Steel Re-rolling Mills Association of India and the re-rolling mills for their co-operation in carrying out this inquiry. Our thanks are also due to Shri C.R. Natesan, Iron and Steel Controller, Government of India, from whom we have received much useful advice and information.

M.D. Bhat,
Chairman

B.V. Narayanaswamy,
Member

B.N. Adarkar,
Member

B.N. Das Gupta,
Member

D.K. Malhotra,
Secretary

Bombay,
Dated 4th December, 1952.

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APPENDIX I

(*Vide* paragraph 1)

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY

New Delhi, the 17th November, 1951.

RESOLUTION
(Tariffs)

No. 3-T(2)/51.- Under the existing arrangements, the retention price of bars and rods produced by the various Registered Producers other than the Main Producers, is fixed on an *ad hoc* basis taking into consideration the cost of raw materials, conversion charges, etc. The Steel Re-rolling Mills Association of India have represented to the Government of India that there has been an increase in the conversion cost of the Producers concerned on account of increases in the cost of labour and stores, etc., and that an increase in their conversion rate is necessary. After considering the representation, Government are of the opinion that the question whether there should be any increase in the conversion rate requires examination. The Tariff Board is accordingly requested to conduct the necessary enquiries in this behalf and submit its Report to Government as early as possible.

2. Firms, or persons interested in the matter who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary, Indian Tariff Board, Contractor Building, Nicol Road, Ballard Estate, Bombay-1.

Sd./- S.A. VENKATARAMAN,
Secretary to the Government of India.

APPENDIX II

(*Vide* paragraph 1)

No. SC(A)-2(77)/51
Government of India,
Ministry of Commerce & Industry

New Delhi, the 22nd September, 1952.

From

D. Hejmadi, Esqr.,
Under Secretary to the Government of India.

To

The Secretary,
Tariff Commission,
Contractor Building, Nicol Road, Ballard Estate,
BOMBAY-1.

Subject:- Fixation of fair conversion rate for Registered Re-rollers.

Sir,

I am directed to refer to this Ministry's Resolution No. 3-T(2)/51, dated the 17th November, 1951, and to request that, while examining the question of revision of conversion rate for Registered Re-rollers, the Tariff Commission may also kindly examine the cost of production of Electric Furnace Billets and recommend a fair retention price for this category.

Yours faithfully,

Sd./- D. HEJMADI,
Under Secretary to the Government of India.

APPENDIX III

[*Vide* paragraph 2]

List of bodies to whom the Commission's questionnaire was issued and from whom replies were received.

* Those who have sent their detailed replies.

@ Those who are not interested.

* 1. Bhartia Electric Steel Co. Ltd.,
42, Shibtolla Street, CALCUTTA.

2. Bhartia Steel & Engineering Co.,
61, Keshavasen Street, CALCUTTA.

* 3. Batala Engineering Co. Ltd.,
BATALA. (E.P.R.)

* 4. Cawnpore Rolling Mills Ltd.,
Harrisganj, KANPUR.

* 5. Delhi Iron & Steel Co. Ltd.,
G.T. Road, GHAZIABAD.

6. Hindusthan Iron & Steel Co.,
8, Rajender Dev Road, CALCUTTA.

* 7. J.K. Iron & Steel Co. Ltd.,
Kamla Tower, KANPUR.

* 8. Krishna Steel Industries Ltd.,
301, Musjid Bunder Road, BOMBAY - 3.

9. Laula Ltd.,
FARIDABAD TOWNSHIP.

* 10. Mukund Iron & Steel Works Ltd.,
Signal Hill Avenue, Brick Bunder, BOMBAY.

* 11. National Iron & Steel Co. Ltd.,
Stephen House, 4, Dalhousie Square, CALCUTTA.

12. National Rolling Mills Ltd.,
Stephen House, 4, Dalhousie Square, CALCUTTA.

* 13. Prakash Engineering Co. & Rolling Mills,
Freeganj, AGRA CITY.

@ 14. Partap Steel Rolling Mills,
CHHEHARTA. (E.P.R.)

15. Singh Engineering Works,
Post Box No. 66, KANPUR.

16. Sri Rama Machinery Corporation Ltd.,
VIJAYAWADA.

* 17. Taj Iron & Steel Works,
247, Ripon Road, Byculla, BOMBAY.

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ASSOCIATIONS:

* 1. Steel Re-Rolling Mills Association of India,
20, Strand Road, CALCUTTA.

* 2. Iron, Steel & Hardware Merchants' Chamber of India,
K.T. Building, Broach Street,
Opp. Victoria Dock (Blue Gate), BOMBAY-9.

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APPENDIX IV

[*Vide* paragraph 2]

List of persons who attended the Commission's inquiry on 1st October, 1952 and gave evidence.

1. Mr. N.D. Agarwalla 2. Sardar D. Inder Singh 3. Mr. I.M. Pai 4. Mr. Raj Kumar 5. Mr. A.C. Das Gupta 6. Mr. Gayadin Ram 7. Mr. Bhagwan Ramchand 8. Mr. A.K. Bhattacharya 9. Mr. N.J. Shah	Representing	The Steel Re-Rolling Mills Association of India, 20, Strand Road, Calcutta.
*10. Mr. R.M. Agarwal 11. Mr. V.J. Shah 12. Mr. J.H. Shah	"	Mukund Iron & Steel Works Ltd., Signal Hill Avenue, Brick Bunder, Bombay.
*13. Mr. P.R. Bagri	"	Bhartia Electric Steel Co. Ltd., 42, Shibtolla Street, Calcutta - 7.
*14. Mr. B.N. Gupta	"	Prakash Engineering Co. and Rolling Mills, Freeganj, Agra City.
*15. Mr. Ved Prakash	"	Delhi Iron and Steel Co. Ltd., G.T. Road, Ghaziabad.
16. Mr. C.D. Shivdasani	"	Krishna Steel Industries Ltd., 301, Masjid Bunder Road, Bombay - 3.
17. Mr. S. Mahalingam	"	J.K. Iron and Steel Co. Ltd., Kamla Tower, Kanpur.
18. Rai Bahadur K.C. Maheshwari	"	Partap Steel Rolling Mills, Chheharta (E.P.R.).
19. Mr. K.S. Laul	"	Lauls Ltd., Faridabad Township.

*They also represented the Steel Re-rolling Mills Association, Calcutta.

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20. Mr. Yusuf Mohamedally Representing Taj Iron and Steel ,
21. Mr. Engineer

247, Ripon Road,
Byculla, Bombay.

OFFICIAL:

Mr. C.R. Natesan,
Iron and Steel Controller,
33, Netaji Subhas Road,
CALCUTTA.

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APPENDIX V

[*Vide* paragraph 5]

STATEMENT SHOWING ANNUAL ONE-SHIFT CAPACITY AND ACTUAL PRODUC[illegible] BARS AND RODS BY THE REGISTERED RE-ROLLERS DURING 1949, 1950, 1951 AND 195[illegible] PTEMBER)

(In tons)

S.No.	Name of the Registered Re-Roller	1949		1950		1951		1952 (Jan.-Sept.)	
		Capacity	Production	Capacity	P	ty	Production	Capacity	Production
(1)	(2)	(3)	(4)	(5)			(8)	(9)	(10)
1.	National Iron & Steel Co. Ltd., Calcutta.	15,000	15,256	15,0		00	16,543	15,000	8,052
2.	Bhartia Electric Steel Co. Ltd., Calcutta.	6,300	7,776	6		00	8,540	6,300	7,151
3.	Hindusthan Iron & Steel Co. Ltd., Calcutta.	5,700	1,784			00	3,150	5,700	2,569
4.	Bhartia Steel & Engg. Co. Ltd., Calcutta.	4,080	1,359			80	818	4,080	837
5.	Singh Engineering Works Ltd., Kanpur.	6,900	5,444	6,9		00	6,939	6,900	6,181
6.	Cawnpore Rolling Mills Ltd., Kanpur.	3,600	1,486	3,600		00	1,389	3,600	1,096
7.	J.K. Iron & Steel Co. Ltd., Kanpur (Jobbing Mill).	2,724	2,159	2,724		24	5,168	2,724	1,000
8.	Delhi Iron & Steel Co. Ltd., Ghaziabad.	1,920	1,727	1,920		20	2,478	1,920	1,703
9.	Prakash Engineering Co. & Rolling Mills, Agra.	1,920	2,118	1,920		20	2,642	1,920	1,850
10.	Mukand Iron & Steel Works Ltd., Bombay.	15,600	8,074	15,600		00	14,402	15,600	12,06
11.	Taj Iron & Steel Works Ltd., Bombay.	3,240	2,669	3,240	[illegible]	240	3,136	3,240	1,786
12.	Indian Hume Pipe Co. Ltd., Bombay.	7,200	2,661	—	—	—	—	—	—
13.	Krishna Steel Industries Ltd., Bombay.	—	—	7,200	1,903	7,200	4,091	7,200	2,46

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
14.	Sri Rama Machinery Corporation Ltd., Vijayawada (a).	2,400	1,000	2,400	108	—	—	—	—
15.	Lauls Ltd., Faridabad (b).	3,000	1,778	3,000	1,586	3,000	1,196	3,000	1,045
16.	Partap Steel Rolling Mills, Chheharta (c).	—	—	2,760	73	2,760	299	2,760	139
17.	Batala Engineering Co. Ltd., Batala (c).	—	—	—	—	2,580	473	2,580	255
18.	G.L. Monga & Sons, Panipat (d).	—	—	—	—	1,140	36	—	—
19.	National Rolling Mills Ltd., Calcutta (c).	—	—	7,800	141	7,800	1,917	7,800	1,493
20.	Man Industrial Corporation Ltd., Jaipur. (c).	—	—	—	—	—	—	5,400	399
	TOTAL:	79,584	55,291	90,144	60,069	91,464	73,215	96,724	50,176
	J.K. Iron & Steel Co. Ltd., Kanpur (Jute baling hoops) (e).	9,000	9,431	9,000	7,912	9,000	3,881 (e)	(f)	3,096

(a) Sri Rama Machinery Corporation Ltd., stopped production from June, 1950 for remodelling and repairs.

(b) Lauls Ltd., had stopped production for some time from September, 1951 for shifting from Chheharta to Faridabad.

(c) Partap Steel Rolling Mills, National Rolling Mills, Batala Engineering Co. & Man Industrial Corporation commenced operations in September, 1950, December, 1950, May, 1951 and July, 1952 respectively.

(d) G.L. Monga & Sons were in production for one month only and have now been classified as an unregistered re-roller.

(e) J.K. Iron & Steel Co. closed their Hoop Mill at Kanpur on 19th March, 1951 for shifting to Rishra and commenced operations at Rishra on 1st August, 1952.

(f) Hoops were produced at Rishra as well as in the spare equipment at Kanpur, production at Rishra in August-September, 1952 being 357 tons and that at Kanpur in February-September, 1952, 2,739 tons.